EXHIBIT R

Brandon Arvanaghi @arvanaghi · Jun 10

Replying to @arvanaghi

🟢 CURTAILING DEMAND

Instead of focusing on supply, there is "demand-response."

During electricity shortages, power companies can pay customers that elect to power down.

This, again, is energy arbitrage. By powering down, consumers are "selling" electricity back to the grid.

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Energy arbitrage alone is not profitable enough to justify creating a demand-response business.

A viable demand-response candidate thus:
1. has a "default" business model
2. draws meaningful power (MW/h) for that default business model
3. can power down at a moment's notice

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Finding a business fitting all three criteria is rare.

AWS, for example, draws meaningful power but could never power down.

Retail options, like smart fridges and dishwashers, would require hundreds of thousands of homes to match the power draw of even one industrial consumer.

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Enter Bitcoin.

👱 Bitcoin mining has no clients, and no requirement for uptime.

🔌 Bitcoin mining's operational expenses come entirely from electricity. A subsidy has a ripple effect on profitability, creating perfect incentive to enroll as a demand-response provider.

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💻 Bitcoin mining provides granularity in demand-response that alternatives can not. Miners can be shut down in batches, providing the precise wattage the grid needs.

⚡ A miner's incentive is to always increase power consumption. The more power drawn, the more hashes computed.

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